

107TH CONGRESS  
1ST SESSION

# S. 1266

To amend title XXI of the Social Security Act to expand the provision of child health assistance to children with family income up to 300 percent of poverty.

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## IN THE SENATE OF THE UNITED STATES

JULY 27, 2001

Mrs. CLINTON (for herself, Mr. SCHUMER, Mr. CORZINE, Mr. TORRICELLI, and Mr. LEVIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XXI of the Social Security Act to expand the provision of child health assistance to children with family income up to 300 percent of poverty.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SCHIP Enhancement  
5 Act of 2001”.

### 6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The State children’s health insurance pro-  
9 gram (SCHIP) established under title XXI of the

1 Social Security Act (42 U.S.C. 1397aa et seq.) cur-  
 2 rently limits coverage of children under that pro-  
 3 gram to children whose family income does not ex-  
 4 ceed 200 percent of the Federal poverty line or 50  
 5 percentage points above the State’s medicaid appli-  
 6 cable income level.

7 (2) Three million uninsured children (over 1 of  
 8 every 4 such children) have family incomes that ex-  
 9 ceed 200 percent of the Federal poverty line, and  
 10 1,400,000 of those uninsured children would be pro-  
 11 vided health insurance coverage if the income eligi-  
 12 bility level for SCHIP were increased to 300 percent  
 13 of the Federal poverty line.

14 **SEC. 3. STATE OPTION TO EXPAND INCOME ELIGIBILITY**  
 15 **UNDER SCHIP.**

16 (a) DEFINITION OF LOW-INCOME CHILD.—Section  
 17 2110(c)(4) of the Social Security Act (42 U.S.C. 42  
 18 U.S.C. 1397jj(c)(4)) is amended—

19 (1) by striking “The term” and inserting the  
 20 following:

21 “(A) IN GENERAL.—The term”; and

22 (2) by adding at the end the following new sub-  
 23 paragraph:

24 “(B) STATE OPTION TO EXPAND ELIGI-  
 25 BILITY.—

1 “(i) IN GENERAL.—A State may elect  
 2 through a plan amendment to apply sub-  
 3 paragraph (A) as if ‘300 percent’ were  
 4 substituted for ‘200 percent’.

5 “(ii) NO EFFECT ON DETERMINATION  
 6 OF SECTION 2104 ALLOTMENTS.—An elec-  
 7 tion under clause (i) shall have no effect  
 8 on the determination of a State’s allotment  
 9 under subsection (b) or (c) of section  
 10 2104.”.

11 (b) EFFECTIVE DATE.—The amendments made by  
 12 subsection (a) apply to child health assistance provided on  
 13 or after October 1, 2001.

14 **SEC. 4. ADDITIONAL ALLOTMENTS FOR STATES THAT EX-**  
 15 **PAND INCOME ELIGIBILITY UNDER SCHIP.**

16 (a) IN GENERAL.—Title XXI of the Social Security  
 17 Act (42 U.S.C. 1397aa et seq.) is amended by adding at  
 18 the end the following new section:

19 **“SEC. 2111. ADDITIONAL ALLOTMENTS FOR STATES THAT**  
 20 **OPT TO EXPAND INCOME ELIGIBILITY.**

21 “(a) ELIGIBILITY FOR ADDITIONAL ALLOTMENTS.—  
 22 A State that, not later than December 31 of any fiscal  
 23 year, meets the following requirements shall be eligible for  
 24 the additional allotments determined for the State under  
 25 subsection (b) for that fiscal year:

1           “(1) INCREASE IN INCOME ELIGIBILITY.—The  
 2       State submits to the Secretary a certification by the  
 3       chief executive officer of the State that, during the  
 4       fiscal year, the State child health plan (whether im-  
 5       plemented under title XIX or under this title) will  
 6       have an income standard for children that is at  
 7       least—

8           “(A) with respect to the additional allot-  
 9       ment determined under subsection (b)(1), 250  
 10      percent of the poverty line; and

11          “(B) with respect to the additional allot-  
 12      ment determined under subsection (b)(2), 300  
 13      percent of the poverty line.

14          “(2) SUBMISSION OF INFORMATION REQUIRED  
 15      FOR CERTAIN USES OF THE ADDITIONAL ALLOT-  
 16      MENT.—In the case of a State that intends to use  
 17      the additional allotment provided under subsection  
 18      (b)(2) for the purpose described in subsection (c)(3),  
 19      the State submits to the Secretary a description of  
 20      the reasonable planning and implementation costs  
 21      the State expects to incur in providing premium as-  
 22      sistance for family coverage under an employer-spon-  
 23      sored group health plan in accordance with sub-  
 24      section (d).

1       “(b) DETERMINATION OF ADDITIONAL ALLOT-  
2 MENTS.—

3               “(1) STATES THAT INCREASE INCOME STAND-  
4 ARD TO 250 PERCENT.—With respect to  
5 \$617,000,000 of the amount available for the addi-  
6 tional allotments under subsection (e) for a fiscal  
7 year, the Secretary shall allot an amount to each  
8 State with a State child health plan approved under  
9 this title that satisfies the requirements of para-  
10 graph (1)(A) and, if applicable, paragraph (2) of  
11 subsection (a)—

12               “(A) in the case of such a State other than  
13 a commonwealth or territory described in sub-  
14 paragraph (B), an amount determined to bear  
15 the same ratio to \$617,000,000 as the State’s  
16 allotment under section 2104(b) (determined  
17 without regard to section 2104(f)) bears to  
18 98.95 percent of the total amount of the allot-  
19 ments determined under section 2104(b) for  
20 such States for such fiscal year; and

21               “(B) in the case of a commonwealth or ter-  
22 ritory described in section 2104(c)(3), deter-  
23 mined to bear the same ratio to \$617,000,000  
24 as the commonwealth’s or territory’s allotment  
25 under section 2104(c) (determined without re-

gard to section 2104(f)) bears to 1.05 percent of the total amount of the allotments determined under section 2104(c) for commonwealths and territories for such fiscal year.

“(2) STATES THAT INCREASE INCOME STANDARD TO 300 PERCENT.—

“(A) IN GENERAL.—With respect to \$383,000,000 of the amount available for the additional allotments under subsection (e) for a fiscal year, the Secretary shall allot an amount to each State with a State child health plan approved under this title that satisfies the requirements of paragraph (1)(B) and, if applicable, paragraph (2) of subsection (a) determined in the same manner as the additional allotments under paragraph (1).

“(B) ALLOTMENTS IN ADDITION TO 250 PERCENT ALLOTMENTS.—The allotments provided under this paragraph to a State shall be in addition to the allotments provided to the State under paragraph (1).

“(3) AVAILABILITY.—

“(A) 3-YEAR AVAILABILITY.—Except as provided in subparagraph (B), amounts allotted to a State under paragraph (1) and, if applica-

1           ble, paragraph (2) for a fiscal year shall remain  
 2           available for expenditure by the State through  
 3           the end of the second succeeding fiscal year.

4           “(B) RETURN OF UNUSED ALLOT-  
 5           MENTS.—The allotments set-aside under para-  
 6           graphs (1) and (2) for a fiscal year for any  
 7           State that has not met the requirements of sub-  
 8           section (a) on January 1 of that fiscal year  
 9           shall be returned to the Treasury.

10          “(c) USE OF ADDITIONAL ALLOTMENTS.—The addi-  
 11         tional allotments provided under subsection (b) to a State  
 12         for a fiscal year may be—

13                 “(1) combined with the State’s allotment for  
 14         the fiscal year determined under section 2104 and  
 15         used to provide child health assistance to all tar-  
 16         geted low-income children under the State child  
 17         health plan; or

18                 “(2) used for—

19                         “(A) a premium assistance program under  
 20         which the State pays part of the premiums for  
 21         coverage of a child who is eligible for child  
 22         health assistance under group health insurance  
 23         or a group health plan in accordance with sub-  
 24         section (d); and

1                   “(B) reasonable planning and implementa-  
 2                   tion costs specified by the State under sub-  
 3                   section (a)(2) without regard to the limitation  
 4                   on such costs under section 2105(c)(2)(A).

5           “(d) PREMIUM ASSISTANCE FOR FAMILY COVERAGE  
 6 UNDER AN EMPLOYER-SPONSORED GROUP HEALTH  
 7 PLAN.—The additional allotments provided under sub-  
 8 section (b) to a State for a fiscal year may be used for  
 9 a premium assistance program that meets the following  
 10 requirements:

11                   “(1) The premium assistance program is cost-  
 12                   effective.

13                   “(2) The State provides assurances that a child  
 14                   provided such assistance will receive the minimum  
 15                   benefits and cost-sharing protections established  
 16                   under this title either through the employer-spon-  
 17                   sored group health plan or as a supplement to such  
 18                   coverage.

19                   “(3) Employees eligible for employer-sponsored  
 20                   health coverage apply for the full premium contribu-  
 21                   tion available from the employer.

22                   “(4) The State evaluates the amount of substi-  
 23                   tution that occurs as a result of the premium assist-  
 24                   ance program and the effect of the program on ac-  
 25                   cess to health coverage.



1       “(e) APPROPRIATION.—For the purpose of providing  
 2 additional allotments under this section to States that  
 3 meet the requirements of subsection (a), there is appro-  
 4 priated, out of any money in the Treasury not otherwise  
 5 appropriated, for each of fiscal years 2002 through 2011,  
 6 \$1,000,000,000.”.

7       **SEC. 5. EVALUATION AND REPORT ON PREMIUM ASSIST-**  
 8                                   **ANCE FOR FAMILY COVERAGE.**

9       (a) IN GENERAL.—The Secretary of Health and  
 10 Human Services shall conduct an evaluation of any pre-  
 11 mium assistance programs conducted with the allotments  
 12 provided to States under section 2111(b) of the Social Se-  
 13 curity Act (as added by section 4). Such evaluation shall  
 14 identify any implementation problems with the provision  
 15 of such assistance and whether the assistance has sup-  
 16 planted health insurance coverage that otherwise would be  
 17 provided to such children.

18       (b) REPORT.—Not later than January 1, 2006, the  
 19 Secretary of Health and Human Services shall submit to  
 20 Congress a report on the evaluation conducted under sub-  
 21 section (a), together with any recommendations for legisla-  
 22 tion that the Secretary determines to be appropriate as  
 23 a result of such evaluation.

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